



Assessing the implementation of environmental sustainability as a business practice by small businesses

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General Note



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ABSTRACT

The obstacles and motivation to the implementation of environmental sustainability by small businesses was surveyed in Lagos Street, Benin City in order to determine their attitude and familiarity with sustainable practices. Though research on similar topic

exists for small businesses in other countries, however, there have been little or no research carried out for small businesses in Nigeria. An extensive review of literatures for the basis of analysis was carried out in this study, while data were gathered by interviewing various business managers and owners. The result of the research shows that peer pressure is a motivating factor to the implementation of sustainable environmental practices in Lagos Street, Benin City. The two main obstacles to the implementation of environmental sustainability identified which include; small businesses having little impact on the environment and cost can be overcome if all business groups are jointly monitored to ensure that they comply with various environmental standards or in achieving a common environmental goal and also if businesses can be given some form of financial incentives or grants.

Keywords: Small businesses, Environmental sustainability, Best practices, Implementation, Sustainable environmental practice

1. INTRODUCTION

Business performance is usually enhanced when environmental sustainability practices are implemented into any size of business (Ferenhofet al 2014). Hence, the factors that tend to motivate the implementation of sustainable environmental practices into small business are now being researched. Small business in this study is defined as any business having less than 80 employees. The collective impact of these small businesses on the environment shows how important it is for environmental sustainability to be considered a part of their daily routine. Some sources have claimed that small businesses contribute collectively to about 70% pollution in the world (Johnson and Schaltegger, 2016).

Studies have shown that though large companies or organizations are becoming committed to the implementation of environmental sustainability as part of their operations, however small businesses still lag behind. A study carried out by MIT Sloan School of Management revealed that 70% of multinational companies have fully implemented environmental sustainability in the past decade (Haaneset al. 2012). The drivers that led to this implementation as cited by these large companies include: political pressure, customer preference, supply chain requirement, resource scarcity, competition for relevance and reaction to competitors (Haaneset al. 2012).

A review carried out to examine the subject of the implementation of environmental sustainability by small businesses revealed that though there have been studies carried out in New Zealand, European Union and Australia (Ferenhofet al. 2014; Hoffman et al. 2012; Moore and Manring 2008), however, few or no study has been carried out in Nigeria. Furthermore, studies on the implementation focused on the manufacturing sectors (Aykol and Leonidou, 2015; Jabbour and Olivera 2012). However, these researches are still at the infancy stage considering the current deficiency in knowledge for this implementation in the small businesses (Aykol and Leonidou, 2015).

Several factors were listed as motivation for the implementation of environmental sustainability into small businesses in different literature as follows: reduce carbon footprint (Federation of Small Business UK 2007; Jabbour and De Olivera 2011); working condition improvement (Masurel 2006; Environment Agency UK 2009); Owner's Personal views (Masurel 2006); Save costs (Masurel 2006); Employee and customer pressure (Cordano, et al 2009); Community pressure (Neamtu 2011).

The barriers to the implementation of sustainable environmental practices by small businesses have also being cited in various literatures as follows: lack of human resources (Hillary, 2004); lack of financial resources (Federation of Small Business UK 2007; inadequate access to appropriate information (Federation of Small Business UK 2007); inadequate return on investment risk (Neamtu, 2011) and Lack of Time and impact due to business size (Neamtu 2011).

The methodology explained in the next section was developed from information retrieved from different studies in order to assess a specific group of small business in Benin City, Nigeria. Most of the previous studies used non Nigerian information about business. Hence, this study sought to know if small businesses in Benin City, Nigeria would have similar motivations or barriers to the implementation of sustainable environmental practices as identified in literatures.

2. MATERIALS AND METHODS

This research was carried out between January and July, 2017 based on a survey of various individual businesses in Lagos Street Benin City through interviews. The survey was designed to ask questions which would provide information about the attitude and motivation of small businesses towards adopting environmental sustainability as a business practice.

Environmental Sustainability was defined in this study as an assessment of the sustainable practices, procedures and processes which helps to reduce the impact of business operations on the environment. For example, the reduction of waste generated so as

to achieve zero waste. This definition was coined from several definitions cited in recent research including; Federation of Small Businesses UK (2007), (Masurel 2006) and Cordano et al. (2009).

Based on reviewed literatures, the survey was designed to comprise of personal interview questions developed from past findings of obstacles and motivation for the implementation of environmental sustainability in small businesses. The initial questions were developed to probe into the perceptions of business on the adoption of environmental sustainability as a business practice. Other questions were centered on identifying specific practices that the business has adopted and how this has impacted on the customer satisfaction. Also, respondents were also asked about the likelihood of them implementing of environmental sustainability into their businesses. Questions about the likelihood of small businesses to adopt sustainability practices if other businesses or competitors in Lagos Street, Nigeria were to adopt sustainability practices.

Research Design

The descriptive research design was adopted in this study. According to Ogundipe et al. (2006), this type of research design is used to find the meaning and obtain understanding of the present conditions, attitudes and methodical observation of a particular event in the real world. This design was chosen because of the purpose of this study, which is merely to understand the drivers of the implementation of environmental sustainability as business practice in small businesses.

Population and Sample

The target population for this study is any one male or female who is economically active in business in Lagos Street, Benin City. In the selection of sample, the multi-stage sampling technique was used. The first stage involved the classification of small businesses based on the goods they sell. The second stage involved the systematic random sampling of the 435 businesses. Of these businesses sampled 135 sells dairy items, 151 sells electronics, while, 149 plastics. At the end of the interview exercise, information was retrieved from 430 respondents, which represents 99 percent of the study population.

3. RESULT AND DISCUSSION

Survey Attitude Questions

How would you rate your attitude towards implementing Environmental Sustainability into your business?

Table 1 attitude towards implementing Environmental Sustainability into small business

Response	Percentage
Very negative	0.0%
Somewhat negative	0.0%
Neutral	17%
Somewhat positive	23%
Very positive	60%

As shown in Table 1, 60% of the respondents are very positive about the implementation of environmental sustainability in their businesses. However, 17% were Neutral about the subject while none of the respondents indicated any negative attitude. Is there a plan by your business to implement sustainability into your business operations?

Table 2 Implement sustainability into business

Response	Percentage	Number of Businesses
Unsure	34.84%	150
No	48.88%	210
Yes	16.28%	70

Despite the number of positive response to the implementation of environmental sustainability as shown in Table 1, however, Table 2 shows that only 16 % or respondents had an implementation plan whilst 48.88% had none.

Survey on obstacle and motivation

In implementing environmental sustainability into your business, what do you see as the main obstacle?

Table 3 Obstacle to the implementation of environmental sustainability

Response	Percentage	Number of Businesses
Personal attitude	9.81%	52
Lack of time	7.92%	42
Business is too small to have an impact	40.00%	212
Unclear results	10.94%	58
Cost/risk	21.70%	115
Others	9.62%	51

From Table 3, though cost/risk (21.70%) was identified as one of the main obstacle to the implementation of environmental sustainability, however, majority of respondents (40.00%) think that their business is too small to have a significant impact on the environment.

What would be your driving force in the implementation of environmental sustainability practices in your business?

Table 4 Motivation to the implementation of environmental sustainability

Response	Percentage
Improved working conditions	7.24%
Cost savings	54.7%
Industry standards	5.34%
Community pressure	2.57%
Customer/employee pressure	8.88%
Personal views	5.01%
Carbon footprint reduction	10.59%
Positive public image	5.67%

From table 4, 54.7% of respondents are of the opinion that they would be motivated to implement environmental sustainability into their business to enable them save cost. However, only 10.59% considered the reduction of carbon footprint as a motivating factor.

Responses on Perception of Importance

How important is environmental sustainability to you when compared with other core business functions such as HR management, marketing and accounting?

Table 5 The importance of environmental sustainability compared to other business functions

Response	Percentage
Not on the same level with other core business functions, but important	27.58%
Not important	18.30%
On the same level with other core business functions	54.12%

Table 5 shows that 54.12 % of respondents consider environmental sustainability to be of same importance as other core business functions such as HR management, marketing and accounting. Also, 18.30% considered environmental sustainability as not important.

In order to promote and maintain customers, how important is environmental sustainability to you?

Table 6 importance of environmental sustainability to individual businesses

Response	Percentage
Extremely important	14.10%
Very important	25.25%
Somewhat important	17.20%
Not important	43.45%

As shown in Table 6, 43.45% of respondents consider as not important the implementation of environmental sustainability into their business while 25.25% considers it as very important.

Responses on Impact and Practices

Which of the following environmental sustainability practices have you implemented in your business?

Table 7 Implementation of environmental sustainability

Response	Percentage
Sustainable Commuting Practices	15.91%
Use of Recycled Content Materials	10.34%
Sourcing from Environmentally Sustainable Businesses	12.45%
Sourcing from Local Suppliers	29.2%
Recycling	53.42%
Solid Waste Reduction (including paper)	21.05%
Water Efficiency	7.75%
Energy Efficiency	10.12%

From the list of common practices given to the respondents as shown in Table 7, almost all were of the opinion that they have implemented environmental sustainability practices which include recycling, solid waste management, sourcing from local suppliers which are the common practices implemented by various business.

If you have implemented environmental sustainable practices, has the public perception of your business improved since that implementation?

Table 8 Public perception to the implementation of environmental sustainability

Response	Percentage
No	20.37%
Yes	15.15%
Not sure	64.48%

Though in Table 7 most business were of the opinion that they have implemented environmental sustainability practices in some measure into their businesses, however, from Table 8, 64.48% are not quite sure if the perception of their businesses by the public has improved.

If similar companies in your industry incorporated sustainable practices into their business, how much more would you be likely to do the same?

Table 9 Implementation of sustainable practices in response to other business doing same

Response	Percentage
Not Very Likely At All	11.11%
Not Very Likely	5.29%
Somewhat likely	24.35%
Very likely	34.10%
Likely	25.15%

As shown in Table 9, it is very likely that most respondents are willing to incorporate sustainable practices into their business if similar businesses as theirs do same as seen in the number of respondents who chose likely (25.15%), very likely 34.10% and somewhat likely (24.35%).

4. CONCLUSION

From the research carried out so far, it seems that majority of small businesses are likely to implement environmental sustainability into their business if other similar small businesses do same. This goes to show that peer pressure can be a motivating factor to the implementation of sustainable practices into businesses in Lagos Street, Benin City. The two main factors identified as obstacles including; little impact on the environment and cost can however be overcome in various ways. Firstly, all business groups should be jointly monitored to ensure that they comply with various environmental standards or in achieving a common environmental goal. Secondly, businesses agreeing to implement environmental sustainability practices could be given some form of financial incentives or grants to serve as a form of motivation. In order to address the peer pressure issue, one important factor to consider would be to first identify those pioneer businesses that have implemented environmental sustainability practices and thereafter create some level of awareness and enthusiasm through some form of public relation campaign. If a considerable number of businesses are able to follow these pioneers, this would create a ripple effect that would ensure that large number of businesses implement environmental sustainability.

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